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January 4, 1944

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Outlines of Post-War Planning Projects in Marketing and
Distribution (Committee III of Milwaukee Conference)

- A-1. Programs for the Integration of Food Requirements of the United States with Estimates of World Supply and Allocations.
James P. Cavin, Div. of Statistical & Historical Research, BAE
Rm. 3865, Br. 2243.
- A-2. Readjustments in Processing and Marketing Facilities and Methods.
F. L. Thomsen, Div. of Marketing & Transportation Research, BAE
Rm. 1349, Br. 3617
- A-3. Disposition of Wartime Regulations Concerning Food Distribution.
C. Donald Jackson, Program Appraisal Branch, FDA
Rm. 2113, Br. 2689.
- B-1. Price and Rationing Controls.
James P. Cavin, Div. of Statistical & Historical Research, BAE
Rm. 3865, Br. 2243.
- B-2. Insuring Adequate Diets to Meet Special Needs and for Underprivileged Groups in the Demobilization Period Under Conditions of Full Employment.
Mark Gordon, Civilian Food Requirements Branch, FDA
Rm. 324-W, Br. 5121.
- B-3. Marketing and Price Measures Designed to Guide Production and Distribution in the Demobilization Period.
Herman M. Southworth, Program Appraisal Branch, FDA
Rm. 2112, Br. 5558.
- C-1. Meeting Special Needs for Underprivileged Groups in the Demobilization Period Under Conditions of Less than Full Employment
Mark Gordon, Civilian Food Requirements Branch, FDA
Rm. 324-W, Br. 5121.
- C-2. Programs to Maintain Farm Prices and Incomes in the Demobilization Period Under Depression Conditions.
Bennett White, Div. of Statistical & Historical Research, BAE
Rm. 3901, Br. 5193.
- C-3. Cooperation With Other Exporting Nations.
John L. Stewart, Office of Foreign Agricultural Relations
Rm. 4053, Br. 3480.
- C-4. Program of Public Works Projects to Provide Modern, Efficient and Adequate Marketing and Distribution Facilities Such as County Assembling Facilities, Processing and Storage Facilities, Terminal Produce Markets and School Kitchens.
C. P. Austin, Transportation & Warehousing Branch, FDA
Rm. 5085, Br. 5756.

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Project A-1, Food Requirements.

Project Leader, James P. Cavin, BAE

I. Personnel.

J. P. Cavin, Chairman, Statistical & Historical Research, BAE
 I. A. Girshick, Secretary, " " " "
 J. H. Richter, OFAR
 E. F. Phipard, PEN&HE
 R. H. Allen, Requirements & Allocation Control, FDA
 W. C. Ockey, Food Requirements Branch, FDA

II. Periods covered and assumptions.

A. At the first meeting of this committee, held August 17 under the chairmanship of Dr. O. C. Stine, it was decided to concentrate on supplies and requirements during the calendar year 1944, with some preliminary consideration of the crop year 1944-45.

B. These estimates are being made on the basis of two alternatives:

1. All large deficit areas will be occupied by the Allies in the beginning of 1944.
2. The occupation will be gradual and the major deficit areas not occupied before the middle of 1944.

C. The final report covering 1944 is scheduled for January 1, 1944. It is expected that preliminary estimates will be assembled during the week of November 14.

III. Scope and nature of the final report.

A. This will be primarily a statistical presentation and is intended to serve as a basis for reports of committees more definitely concerned with action programs.

B. The report will be in two principal sections:

1. Domestic supplies and disposition, with reference to historical patterns and nutritional content.
 (This project is under the direction of Mr. Girshick, with Mrs. Phipard responsible for the nutritional analysis.)
2. Foreign supplies and requirements. Estimates for the Far East will not be included in the 1944 projections, and since estimates of per capita supplies are needed before the nutritional adequacy can be appraised, no elaborate nutritional analysis for foreign countries will be possible for the January 1 report. (This project is under the direction of J. H. Richter.)

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- C. These two reports together will indicate the magnitude of the discrepancies between supplies and requirements.
- D. It is contemplated that the final estimates will be reviewed in terms of the feasibility of moving surplus supplies to deficit areas. (Messrs. Richter and Allen will be jointly responsible for obtaining such review from outside agencies.)

Project A-2, Readjustments in Processing and Marketing Facilities and Methods.

Project Leader, F. L. Thomsen, BAE

I. Processing facilities and methods; technological improvements

A. Objectives

1. To determine future of food processing plants built in response to war needs
 - a. Necessity of liquidation
 - (1) Ways of easing shock
2. To determine possible post-war use of other war plants for processing farm products
 - a. Cross reference to C-4
3. To determine what changes in outmoded processing facilities to be made during demobilization period would be in line with fundamental trends
 - a. eg. - Conversion of ice storage facilities to frozen food storage or lockers
4. To obtain new outlets or retain the equivalent of wartime markets for farm products
 - a. eg. - exports - as dried eggs
5. How to secure or retain for consumers the benefits of the war accelerated technological developments in food processing
6. To furnish information on market outlets needed in making post-war farm production plans

B. General procedure in treating each subject

1. Describe the process; show pre-war and wartime trends in capacity, etc.; summarize the pertinent statistics; and give any other background information prerequisite to understanding of the problem and recommendations by those who must "consume" the report
2. Analyze the problem or problems presented, in terms of the objectives listed above
3. Describe the alternative measures which could meet the problem; analyze their probable effectiveness and advantages and disadvantages; recommend a course of action based on this analysis; show what such a solution would require in the way of funds, cooperation among public and private agencies, legislation and administrative action

C. Agencies responsible

1. One agency responsible for getting work done on each subject, with leader designated in outline
2. All other agencies in the Department contribute what they can, contacting or contacted by the individual acting as subject leader
3. All contacts with ARA to be through Dr. D. J. Price, Extension 4371

D. Processes to be covered

1. Dehydration
 - a. See separate outline attached
 - b. Responsibility
 - (1) Agency: Office of Materials and Facilities, WFA
 - (2) Individual: Arthur Burns, Ext. 4797, or M. J. Fields, Ext. 5675

2. Frozen foods
 - a. See separate outline attached
 - b. Responsibility
 - (1) Agency: Div. of Marketing and Transportation Research, BAE
 - (2) Individual: F. L. Thomsen, Ext. 3617
3. New foods and processes
 - a. Items: Citrus concentrates, eviscerated poultry, prepared foods, yeast, edible fats and oils, agar
 - b. See separate outline attached
 - c. Responsibility
 - (1) Agency: Industry Operations Branch, FDA
 - (2) Individual: J. D. Godston, Ext. 3020
4. Chemicals and drugs from farm products
 - a. Items: Monosodium glutamate, tartrates, penicillin, citric acid, plastics, inedible oils, pectin, new vitamin materials
 - b. See separate outlines attached for each of these products
 - c. Responsibility
 - (1) Agency: Special Commodities Branch, FDA
 - (2) Individual: H. W. von Looscke, Ext. 3756
5. Other farm by-products
 - a. See separate outline attached
 - b. Responsibility
 - (1) Agency: Agricultural Research Administration
 - (2) Individual: D. J. Price, Ext. 4371
6. Natural and synthetic fibres
 - a. See separate outline
 - b. Responsibility
 - (1) Agency: Cotton Branch, FDA
 - (2) Individual: J. W. Wright, Ext. 2167
7. Alcohol for rubber, gasoline, etc.
 - a. See separate outline
 - b. Responsibility
 - (1) Agency: Agricultural Research Administration
 - (2) Individual: D. J. Price, Ext. 4371
8. Vitamin and other enrichment and fortification
 - a. See separate outline
 - b. Responsibility
 - (1) Agency: Health and Nutrition Branch, FDA
 - (2) Individual: Dr. Goodhart, Ext. 3097
9. Fertilizers and insecticides
 - a. See separate outline
 - b. Responsibility
 - (1) Agency: Office of Materials and Facilities, WPA
 - (2) Individual: Arthur Burns, Ext. 4797
10. Other processing facilities (catch-all)
 - a. Examples: peaches in south, citrus in Texas, oilseed crushing and oil product manufacturing in South
 - b. Responsibility
 - (1) Agency: Division of Marketing and Transportation Research, BAE
 - (2) Individual: A. L. Meyers, Ext. 4396

- II. Assembly, transportation and storage facilities and packaging
 - A. Produce assembly facilities in Southeast
 - 1. A problem in all areas, but especially in Southeast where recent and potential shifts in production and general inadequacy of facilities intensifies the problem
 - a. Work on this subject in other areas to be left entirely to Regional Working Groups or Project C-4, as appropriate
 - 2. See separate outline of this project attached
 - 3. Responsibility
 - a. Primary
 - (1) Agency: Division of Marketing and Transportation Research, BAE
 - (2) Individual: R. W. Hoecker, Ext. 5835
 - b. Cross reference to Project C-4
 - (1) Agency: Transportation and Warehousing Branch, FDA
 - (2) Individual: C. P. Austin, Ext. 5757
 - B. Aircraft transportation of farm products
 - 1. Effects on fruit and vegetable marketing
 - a. Outlets for U. S. producers
 - b. Competition from Mexico, Cuba, etc.
 - 2. Responsibility
 - a. Agency: Division of Marketing and Transportation Research, BAE
 - b. Individual: R. W. Hoecker, Ext. 5835
 - 3. Cooperation
 - a. Wayne University of Detroit
 - b. Trade associations for air transport and plane manufacturers
 - C. Storage
 - 1. Objectives
 - a. To insure adequate facilities in post-war period
 - (1) In view of recent shifts in production and technological developments outlined in I above
 - b. To make use of war plants suitable for conversion
 - c. To rehabilitate outmoded cold storage facilities
 - 2. Responsibility
 - a. Agency: Transportation and Warehousing Branch, FDA
 - b. Individual: W. C. Crow (Ext. 5756) or C. P. Austin (Ext. 5757)
 - 3. Cross reference to
 - a. Project C-4
 - b. Project A-2, I D2
 - D. Packaging
 - 1. Objectives
 - a. To take advantage of new packaging materials and methods developed in recent years
 - b. To aid in establishing export outlets, conserve transportation, etc.

2. See separate outline attached
3. Responsibility
 - a. Agency: Office of Materials and Facilities, WFA
 - b. Individual: Arthur Burns, Ext. 4797

III. Improvement of marketing efficiency, reduction in costs of distribution

- A. Part of longer-time post-war readjustments
 1. Should make a start in this direction during the demobilization period
 2. Direct immediate attention at those parts most amenable to quick action and results
 - a. Continuation of as many as possible wartime economics in distribution
 - b. Initiate action associated with technological improvements during war years
- B. Elimination of internal trade barriers
 1. State and local rather than national action most essential
 - a. Hence, this is important phase of state and area plans
 - b. Department agencies stand ready to assist state and local planning groups with information on barriers, their effects, proposed action
 2. Agency in which information is available
 - a. Division of Marketing and Transportation Research, BAE
(1) Individual: L. D. Howell, Ext. 2162
- C. Reducing distribution costs
 1. See separate outline
 2. Responsibility
 - a. Agency: Division of Marketing and Transportation Research, BAE
 - b. Individual: F. L. Thomsen, Ext. 3617

IV. Recapitulation

- A. Probable effects of these developments on farmers
- B. " " " " " " marketing agencies
- C. " " " " " " consumers
- D. Effects on world trade

Project 4-3, Disposition of Wartime Regulations Concerning Food
Distribution

Project Leader, Donald Jackson, FDA

Personnel

Donald Jackson, FDA
Herman Southworth, FDA
D. H. Allred, FDA
R. H. Allen, FDA
F. L. Thomsen, BAE
Bennett White, BAE
Representatives of all Commodity Branches of FDA

On the basis of this outline, each member has been requested to inventory the regulations of note within his own Branch of FDA, or for others than FDA personnel, to bring forward any inventory, classes, or classification of such regulations as he may think useful.

Part I is tentative as to its classifications, and consider it only as one of several which may be suggested within the group. I hope to submit it to the members in the very near future for their criticism and suggestions.

Part II should consist in classifying each item, listed in Part I, by the purpose which might be furthered by the regulation's retention or its elimination; then in analyzing the extent, importance and desirability of the effect.

Part III should comprise a presentation of methods, timing and other principal conditions recommended for the termination or modification of the regulations, or the recommendation that their continuation be studied under Project 13-3 or C-3. No attempt has yet been made to outline the classification of these methods and conditions of termination of regulations. They obviously would involve consideration from the viewpoints of: (1) minimization of immediate losses or disadvantages for society, for specific classes or individuals, for the Government; (2) equitable distribution of immediate advantages, such as rights to buy Government stocks, regional advantages of particular dates or seasons for specific actions, etc.; (3) avoidance of wide or erratic fluctuation as a result in (a) farm organization or income, (b) cost of living; (4) encouragement of favorable conditions (whether status quo or desirable changes) in marketing methods and facilities.

Three main steps are involved:

- I. An inventory of the wartime regulations to be disposed of.
- II. Analysis of each of them from the standpoint of the purposes for which it was set up and the additional purposes which it serves or might serve, in relation to needs during the demobilization period and later. This will provide a basis for determining which measures should be liquidated and which should be retained, wholly or in part or in some modified form.

III. In the case of the measures to be liquidated, analysis of the impact of such liquidation and of the extent to which it can and should be removed gradually in order to assure an orderly transition from wartime to peacetime conditions.

The detailed outline follows:

I. Inventory of wartime regulations

A. Encourage and modify production

1. Price Supports

- (1) Purchase programs for procurement or for support
- (2) Loans

2. Subsidies

3. Supplies, facilities and services, seed, feed, transportation, processing facilities and programs

B. Assure Full Utilization of Food

1. Physical Distribution

- (1) Quotas - as rice shipments and livestock slaughtering
2. Standards, substitutions or modifications - as soap builders, milk and milk-product orders, and apple and grape orders
3. Fortification and enrichment - as bread
4. Type and extent of processing for food and non-food uses - as alcohol, protein flour, dried milk and eggs
5. Stockpiles or reserves
6. Transportation and storage
7. Utilization of temporary surpluses

C. Assure Civilian Food Supply

1. Assist special consumer groups - as school lunches, in-plant feeding, fluid milk subsidy, canning projects
2. Price regulations
3. Allocation
4. Rationing
5. Alleviation of local (or other) shortages

D. Assure Government Procurement

1. Controlled production, processing and reservations
2. Procurement (purchase) methods

E. Conservation and Distribution Economy Measures

1. Elimination of non-essential or wasteful marketing practices - as bread, fluid milk
2. Conservation of transportation
3. Container-re-use and conservation

II. Purpose or objective for which either to continue or terminate regulations

A. Re-establish specific rights infringed upon by the regulations in question

1. Marketing trades and industries, including complementary functions e.g. transportation, processing, finance, speculation, etc.
 - (1) To enter and leave a trade or industry
 - (2) To make firm contracts
 - (3) To determine pricing policy
 - (4) To build up demand, and determine type of market

- (5) To determine and develop supply policy
- (6) To determine and develop policy and methods for operation, buying, selling, advertising and selling, etc.
- 2. Producers
 - (1) Competitive access to supplies and equipment for marketing any crop
 - (2) Competitive access to the whole marketing system
 - (3) Competitive pricing
 - (4) Own determination of quality, packaging and service attractions
 - (5) To make binding contracts
 - (6) To know Government control policies for long period ahead
 - (7) To process, transport, or otherwise to pre-determine the purpose, destination to which his products shall go, and the form and time of marketing
- 3. Consumers
 - (1) To buy whatever is produced
 - (2) Pay competitively per own judgment
 - (3) Store, divert, sell or use at will
 - (4) Make firm contracts
 - (5) Contract for, or obtain, custom-made or any other special products

B. Improve the position of agriculture

- 1. Competitive position of the industry as a whole
 - (1) Regulations or services relating directly to the activity of the farmer
 - (a) Support prices and ceiling prices
 - (b) Licenses, quotas, etc., in marketing his products
 - (1) Products use
 - (2) Materials and containers
 - (3) Transportation
 - (4) Storage
 - (2) Use of agricultural products
 - (a) For alcohol
 - (b) For rubber
 - (c) Cotton vs. synthetics
 - (d) For plastics and adhesives
 - (3) Export and import
- 2. Balance among segments of the industry
 - (1) Among areas
 - (c.g. support prices in commercial areas, transportation and feed subsidies, etc.)
 - (2) Among crops or products
 - (c.g. restrictions on fertilizers and machinery, support and ceiling prices, prices for various uses such as canning contracts and prices for selected vegetables.

For example, sweetpotatoes, peanuts and soys were well supported by programs for disposal - sweets may have been supported to an unwarranted or unwise degree. Another example is Lend-Lease use of pork vs. beef. Still another, purchase and support programs for beans vs. southern peas.

(3) Stabilization over time

Surplus disposal, diversion

Resale to commercial markets

Coordination of price and rationing measures with Government stocks, production, and current demand for prices to be permitted to move to free competitive levels at such rates as will exert more or less constant pressure to vacate any purely war-purpose positions which the agricultural production pattern may have taken.

3. Benefit to consumers

(1) Lower cost for all

(2) Improve diets for all

(3) Lower cost and (or) improve diets for

a. underprivileged groups

b. Groups with special needs

c. areas

4. Relationship of these objectives to general economic business and social conditions, i.e., prosperity vs. depression, etc.

(1) Economy of distribution e.g. free, competitive choice of distribution channels

(2) (Production and) marketing of products which add maximum to the value product. Any regulations which hamper free choice, bidding, consumption, etc.

III. Determination of Time and Methods of Liquidation

A. Projects to be liquidated may be classified as follows with respect to time of liquidation

1. Immediate

2. Determinate future date

3. Indeterminate (at end of war)

B. The following factors will be considered in deciding when to terminate

1. Time required to reduce disruptive effect of termination upon the industry, the marketing structure or the public

2. Time required to avoid inequitable or otherwise undesirable losses or gains to special groups

3. Time required to settle pending transactions or to liquidate administrative officers

4. Time required to reduce operations gradually keeping pace with the reduction of the need for them

5. Time required to give industry time to set up voluntary organization to continue part of the project which they wish to and which is clearly legal

6. Time required to give industry a chance to work out solutions to problems of adjustment
- C. The policy of liquidation should be announced for all projects
 1. Those which involve no problems which involve a time period for liquidation should be terminated by announcement or order at once.
 2. Those which require a period of time for liquidation, which period is subject to advance determination, should be listed in an announcement with the scheduled dates of termination
 3. Those which require a period of time for liquidation, which period is not subject to advance determination, should be listed in an announcement which would simply state the fact that it had been decided to terminate them as soon as practicable
- D. Advisory committees on liquidation should be established wherever they might serve a useful function
 1. Industry committees wherever problems were strictly intra-industrial without effecting either labor or consumer interest
 2. Consumer and labor participation wherever interests might be effected
- E. Special supplementary operating orders might be useful in some cases during period of liquidation
 1. Where the terms of the order to be liquidated are not sufficient to deal with the problems of liquidation
 2. In some cases, it might be desirable to immediately cancel the order to be liquidated and substitute for it another order which in time would be liquidated
- F. Methods of handling liquidation problems
(Details to be filled in)

Project B-1, Price and Rationing Controls
Project Leader, James P. Cavin, BAE

I. Personnel

| | | | | |
|--|---|---|---|---|
| J. P. Cavin, Statistical and Historical Research | | | | |
| C. A. Gibbons, | " | " | " | " |
| W. G. Madow, | " | " | " | " |
| R. M. Walsh, | " | " | " | " |
| B. H. Pubols, | " | " | " | " |
| M. R. Cooper, | " | " | " | " |
| F. L. Thomson, Marketing and Transportation Research | | | | |
| W. C. Ockey, Food Requirements Branch, FDA | | | | |
| M. M. Southworth, Program Appraisal Branch, FDA | | | | |

II. Statement of Objective

As stated in the original outline, the objective of this project is the marshalling of the facts and analyses which must be at hand if the people, Congress, and the administration are to make intelligent decisions with respect to the continuation of price and rationing controls when the war ends.

III. General Assumptions

This study is in terms of the situation throughout the demobilization period, assuming that this period is characterized by a high level of activity and a large national money income.

IV. Outline of the Report

A. Estimates of the magnitude of the factors effecting prices, assuming high levels of business activity.

1. The objective here is to convey some idea of how such elements as industrial production, national income, the inflationary gap, and the general price level might respond if high activity is characteristic of the demobilization period and the existing controls are dropped.

2. The estimates that will be made in the near future will not be forecasts but rather indicators of the type of situations that could develop in the periods covered. Two arbitrary basic assumptions are made, one that the price change will be in proportion to income change, and the other that the price change will be in proportion to changes after controls were removed in 1919. It is quite possible that either the price changes in proportion to income may be too high or the price changes in proportion to 1919-20 changes may be too low, the fundamental factors being the rate of reconversion and the possible surpluses of specific commodities. It is planned to replace these necessarily hypothetical projections with more realistic appraisals, as evidences of such factors as the rate of Government spending, rates of industrial conversions, and the magnitudes of deferred demands become available.

3. For the purpose of arriving at preliminary estimates, a number of simplifying assumptions will be used. Two time periods will be covered, namely, the year 1944-45, and the year 1945-46. It is assumed that the first period coincides with the end of the European war and the intensification of the Pacific war, and that the second period coincides with cessation of major hostilities, with demobilization and conversion in full swing.

4. In addition, a number of further assumptions, with respect to each of these periods, will be made.

a. That price control is abandoned in the middle of 1944. - Under this assumption, two hypotheses will be explored.

(1) That prices in 1944-45 and 1945-46 rise proportionately to income, starting with the income levels existing in 1944.

(2) That the price rise in these two periods will be similar to the inflationary advance that took place in 1919-20.

b. That price control is abandoned in the middle of 1945. - Under this head, two similar hypotheses will be explored.

(1) That prices in 1944-45 are held close to present levels, but that prices in 1945-46 rise relative to income, starting with the 1944-45 level under existing controls.

(2) The same hypotheses for 1944-45, but with a price advance similar to that in 1919-20 taking place in 1945-46.

B. Estimates by Commodities

This will be essentially an analysis of how individual commodity prices might be expected to react under the various inflationary conditions outlined above, with special reference to the extent that they might be expected to exceed existing price levels. In making these analyses, the probable foreign requirements being developed under Project A-1 will be used. The pattern for these commodity analyses is now being developed.

C. Analysis of Price and Rationing Controls

Assuming that a considerable price inflation is a possibility which must be guarded against, a number of steps are tentatively indicated.

1. Recommendations with respect to the continuation of present price and rationing programs. - This involves a question of whether we recommend that these programs be extended in essentially their present form, or whether any different types of control should be substituted.

2. Recommendations as to the conditions under which price control should be relaxed or abandoned. - This part of the report is perhaps the most important phase of the whole project. One of the contributing factors to the 1919-20 inflation was undoubtedly the universal abandonment of controls without much regard to the consequences. If the Government is empowered to continue various programs of price and rationing control, the important problem with respect to inflation is the question of when the controls are abandoned. Unless criteria can be developed for the abandonment of such controls, the administrators of these programs may find themselves dropping them before the inflationary dangers have passed, or continuing them unnecessarily, in which case the Government will be rightly charged with useless intervention in the sphere of private economic activity.

Projects B-2 and C-1, Insuring Adequate Diets to meet Special Needs for
Underprivileged Groups in Demobilization Period

Project Leader, Marcus J. Gordon, FDA

Proposed "task forces" are indicated in relation to the outline of work to be done by each task force. The task force in charge of the entire project will consist of Norman Leon Gold, Chief, Civilian Food Requirements Branch - Project Leader,

Albert Brunot, Federal Security Agency
Charlotte Chatfield, Special Needs Division,
Civilian Food Requirements Branch
Robert S. Goodhart, Nutrition and Industry Division
Marcus Gordon, School Lunch Division, Civilian Food
Requirements Branch
Marjorie Haseltine, Childrens' Bureau, Department
of Labor
Esther Chipard, Bureau of Human Nutrition and Home
Economics
Herman Southworth, Program Appraisal Branch.

This group will have general responsibility for the project and specific responsibility for preparing Point I in the outline of work to be done. The task force responsible for handling the work in each of the sub-divisions of the project indicated in the outline by II through VI is listed after each point in the outline.

- I. The extent to which there is need for programs to supply special food allowances to children, pregnant and nursing women, industrial workers and underprivileged groups will depend upon the data obtained on the following points:
 - A. Nutritional standard to be maintained - a floor below which the health of a Nation will suffer (the findings of project A-1 will be the basis for determining standards).
 - B. Relation of food supply and adequacy of the ration allowance to meet the requirements of special groups.
 1. Special groups:
 - a: children
 - b: pregnant and nursing women
 - c: industrial workers.
 2. Assumption:
 - a: full employment
 - b: partial employment.
 - C. Proportion of population unable to buy adequate food at prevailing price levels.
 - 1: under full employment
 - 2: under partial employment
- II. Child Feeding Programs.
 - A. Objectives.

1. Evidence of the need for child feeding programs
2. Nutritional standards
3. Educational aspects
- B. Policies
 1. Who shall participate?
 2. Extent of Federal responsibility
 3. a. Administrative
 - b. Supervisory
 - c. Financial
3. State and local responsibilities
- C. Type of Program
 1. Financial subsidy of basic foods
 2. Surplus foods distribution
 3. Other
- D. Cost of the program
 1. Food
 2. Supervision and other personnel
 3. Equipment
 4. Other
- E. Methods of financing
 1. Federal assistance
 2. State tax support
 3. Local
 - a. Taxes
 - b. Private contributions

A "task force" composed of:

Margaret Morris, Project Leader - School Lunch Section,
Civilian Food Requirements Branch
Edna Amidon, U. S. Office of Education
Rowena Carpenter, Nutrition and Food Conservation
Esther Phipard, Bureau of Human Nutrition and Home Economics.

This group will find valuable information already compiled on some of the above points by such groups as the Cooperating Committee on School Lunches. Information, particularly on costs, will need to be secured from operating school lunch programs. In addition to the information available from Food Distribution Administration surveys, arrangements for studies could be made with Colleges, University Home Economics Departments and Extension Services.

III. School Kitchens as a Public Works Project

- A. Survey to show extent and types of facilities needed, e.g. whether new, remodeled or adapted. School Lunch Section of Food Requirements Branch and Federal Security Agency to be responsible for compiling data.
- B. Plan for work project

Suggested plans and recommendations to be submitted by persons selected for their competency in this field. These would include Institutional Management specialists at State Colleges, and others

experienced in operating school lunch programs in urban and rural areas. The Bureau of Human Nutrition and Home Economics is prepared to suggest names of persons.

C. Cost of the program

1. Federal

2. Local.

The task force should be composed of:

Margaret Batjer, Federal Works Agency, Project Leader
Helen Holbrook, Bureau of Human Nutrition and Home Economics
Vivian Drenckhahn, Office of Education, Federal Security
Agency
Margaret Morris, School Lunch Section, Civilian Food
Requirements Branch
Arthur G. Kelsey, Transportation and Warehousing Branch.

IV. Allowances for Pre-School Children, Pregnant and Nursing Women

This Branch will consult with the Bureau of Human Nutrition and Home Economics and the Children's Bureau and develop possible programs to meet special needs.

The task force should be composed of:

Marjorie Haseltine, Children's Bureau, Department of Labor -
Project Leader
Margaret Morris, School Lunch Section
Rowena Carpenter, Nutrition and Food Conservation
Esther Phipard, Bureau of Human Nutrition and Home Economics

V. Industrial Feeding Program

A. Need for continuation of In-plant Feeding

1. Local adequacy of food for workers (Regional Staff).
2. Allocation of food within a plant on per meal basis (Washington staff).
3. Exposition of the feasibility of in-plant feeding in various industries and in different sizes of plants (Washington staff).
4. Examination of alternative methods of satisfying special food requirements of industrial workers (Washington staff).

B. Forecast of the pattern of post-war production

1. Information for this purpose will be obtained from the Department of Commerce.

Assumptions:

a: Full employment

b: partial employment

2. Review of congested areas with a prophecy of what the situation will be like at the end of the war. (Regional

work done according to close supervision by the Washington staff).

C. Survey of requirements for in-plant feeding facilities at the end of the war.

1. Requirements for facilities by Regions.

Information will be obtained primarily from the Quarterly Surveys that are being conducted at present by the Washington staff.

2. Separate estimates of the above will be made under assumptions of:

a: full employment b: partial employment

D. Methods of providing facilities (Washington staff).

1. Provide the mechanisms for shifting facilities from plants completely or partially closed by post-war shifts in production.

a: under full employment b: under partial employment

2. Schedule new production

3. Recommendation for standardized equipment

E. Methods of operating in-plant feeding facilities (Washington staff).

1. Recommendations of standards for food preparation and service.

2. Estimated labor requirements

3. Possible recommendations for pricing policies

A task force composed of:

Robert S. Goodhart, Project Leader
Selected members of the Inter-Agency Committee
on food for workers

VI. Adequate Diets for Low-Income Families

A. Basis for determining need

1. Economic

2. Nutritional

B. Determination of eligibility

1. Welfare recipients 2. Low-income families 3. Families with inadequate diets

C. Type of program

- | | |
|--|---|
| 1. Distribution of food in kind | 2. Food stamps |
| 3. Subsidized distribution of basic foods | 4. Other two-price systems |
| 5. Communal feeding | 6. Extension of social security coverage |

D. Administrative organization

Federal and State responsibility

1. Establishment of eligibility and certification
2. Issuance and control of subsidy

E. Cost of program

1. Program - Federal, State and Local.
2. Administrative - Federal, State and Local

F. Nutrition education - Inducing participation

G. Adjustment of agricultural production needed to meet increased or changed food requirements

A task force composed of:

W. L. Ballance - Project Leader
Civilian Food Requirements Branch

A representative of:

Bureau of Human Nutrition and Home Economics,
familiar with material on dietary requirements
and on studies of consumer expenditures.
Program Appraisal Branch, who can supply
economic data, income and food price information.
Social Security Board, Bureau of Public Assistance,
from the Division of Statistics and Analysis, and
from the Division of Standards and Program
Development of the Bureau of Public Assistance.

Division of Responsibility

Generally, the bulk of the work in connection with the development of this project in its initial stages should be done in Washington. Tentative plans should then be submitted to Regional and State people for review and suggestion.

Rough Outline of the Final Report:

- I. Need for the programs.
- II. Recommendation of programs.
- III. Implementation of programs.
- IV. Discussion material for use at Regional, State and country levels.

Project B-3, Marketing and Price Measures Designed to Guide Production
and Distribution in the Demobilization Period

Project Leader, Herman I. Southworth, FDA

Personnel

Donald Jackson, FDA
Herman Southworth, FDA
D. H. Allred, FDA
R. H. Allen, FDA
F. L. Thomsen, BAE
Bennett White, BAE
Representatives of all Commodity Branches of FDA

- I. This project assumed the absence of economic depression during the demobilization period, etc., the same as other projects in the B group. It is desirable at the start, therefore, to come to agreement with those working on other B-group projects regarding the specific content of these assumptions such as levels of employment, size of payrolls, and the level of food purchasing power and domestic supply. (It would seem desirable to reach agreement not only with the people working on marketing projects using these assumptions, but also with those working on production projects and perhaps some of the others.)
- II. On the basis of these assumptions, the chief problems to be met and objectives that should guide production and distribution in the demobilization period are to be outlined.
- III. The types of controls and other measures that might be used to deal with these problems and carry out these objectives are to be described. This will include not only the devices currently being used for similar purposes that might be continued, but especially any ideas that can be developed as to new or improved measures.
- IV. The various patterns of measures described will be compared on the basis of their economic competence and political feasibility and recommendations drawn up proposing one or alternative programs for guiding production and distribution in the demobilization period.

Use is initially being made of the same task group set up for Project A-3 and the inventory of wartime regulations that it is preparing will be included in the description of possible types of regulatory measures.

No general field work is contemplated in connection with this project. Reports prepared at various stages of the project will, however, be sent to the marketing activities leaders in the several regions for review

and criticism by their marketing people, with the suggestion that they comment particularly on local conditions that bear on the types of problems to be dealt with and the types of measures that might be used or are proposed for use in dealing with them. We should encourage especially submission by field people of any ideas they may have on new types of measures or ways of improving those that have been used.

The Program Surveys Division of BAE will be asked for any information their surveys may have provided bearing on the acceptability of various types of control measures under the conditions that will prevail in the demobilization period. Possibly that Division should be asked to undertake further surveys directed specifically toward this question.

Project C-2, Programs to Maintain Farm Prices and Incomes in the
Demobilization Period under Depression Conditions

Project Leader, Bennett S. White, Jr., BAE

The periods covered, underlying assumptions involved and basic data will be similar to and integrated with those pertaining to B-1, B-3, C-2 and other sub-projects.

I. Periods covered and underlying assumptions

- 1944 - Primarily a war year with beginnings of demobilization and conversion
- 1945 - Combination of intensified Pacific war and an accelerated demobilization and conversion
- 1946 - Demobilization and conversion in full swing

II. Over-all estimates which are basic to this and related projects

A. Items to be covered:

1. Industrial production
2. National income
3. Disposable income
4. General price level
5. Related series: These will include such items as income of industrial workers, factory payrolls, individual components in the index of industrial production and the index of wholesale prices, indices of prices received and prices paid by farmers, and other data which are broadly indicative of supply and demand conditions and which will be needed by the commodity men in making specific estimates and by the project leader.

In building up this body of estimates which are basic to the project it will be assumed that general demand conditions will be the lowest within the range of practical possibility during the period of demobilization. While definite bench-marks have not yet been set, a practical illustration would be an assumption to the effect that the indices of industrial production and general prices in 1946 would decline to 1941 level. It would then be assumed that related series would have declined proportionately although modified by many changes in the economic structure as a result of the war including such things as shifts in the relative importance of the various industries, the higher level and probably greater rigidity of wage rates, the return of soldiers to the labor market, the effect of dismissal pay for servicemen, etc.

B. Personnel

It is expected that the bulk of the work involved in making these estimates would fall upon C. A. Gibbens and W. G. Meadow of the Division of Statistical and Historical Research. These men are in contact with outside agencies working along similar lines such as the Departments of Labor and Commerce. They will work in close contact with the leader of this and related projects and their over-all estimates will be reviewed by the full committee.

III. Estimates by commodities: The analyses from a commodity point of view will involve three major steps:

- A. Price, production and income forecast for each commodity based on prospective domestic demand and foreign demand as influenced by regular cash sales, Lend-Lease, and relief and rehabilitation requirements.
- B. A relating of what market forces may be expected to bring in the form of prices, production and farm income to what prices, production and farm income have been in past periods and to what these same factors need to be if farm living standards are to be sustained, if nutritional needs of the domestic population are to be met, and if the United States is to make its proper contribution to foreign relief and rehabilitation. (Related to A-1 and other projects.)
- C. The contribution which might be made by loans, purchase and sales programs, diversion operations, two-price systems, subsidies, special measures to re-orient production and the like in those cases where it is adjudged that market forces will not produce the desired results and special Governmental measures are required.

The work of making these detailed analyses will fall primarily upon the individual commodity man. It is suggested that leadership will be exercised by the appropriate commodity specialist of the Division of Statistical and Historical Research, who, however, will work in close concert with specialists in the FDA, the CCC, and particularly the Program Appraisal Branch of the FDA. In view of the limited time and personnel available and the fact that forecasts will be extended well into the future, the aim will be to arrive at estimates which will indicate the general order of magnitude of changes and possible adjustments rather than specific and finely detailed figures. Consequently,

studies and analyses made in the past will be heavily drawn upon as a source of general principle and conclusion. The attempt, wherever possible, will be to build upon these analyses already made rather than to re-do them.

D. Personnel

R. M. Walsh, B. H. Pubels and Mr. R. Cooper will be responsible for coordinating and expediting the work of the commodity specialists within their respective fields. H. M. Southworth will be the general representative of the FDA Program Appraisal Branch, and will integrate the work of the FDA commodity specialists with those of the Division of Statistical and Historical Research.

IV. Regional responsibilities

The project leader and all of those working on the project will stand ready to receive suggestions and recommendations from field men who are to be represented in each Region by the FDA Program Appraisal Branch. Presumably, these leaders will discuss the development of the project with representatives of other Federal agencies in the field and with State people. It might also be desirable in special cases for those working in Washington to make direct contact with men in the colleges and universities who are known to be interested in and thinking about desirable post-war adjustments in their particular localities.

V. Conclusions, recommendations, and preparation of the final report

Conclusions and recommendations will be developed on the basis of the above-mentioned analyses and after consultation with those working on other projects, and with the aid of suggestions and recommendations from the full committee, final report will be prepared in the Division of Statistical and Historical Research and referred to the Washington Interbureau Committee.

Project C-3, International Trade Relationships

Project Leader, J. L. Stewart, OFAR

The probable U. S. post-war position as an agricultural exporting country must be considered in approaching the general problem of adjusting U. S. agriculture to post-war demobilization. Efforts are being made to focus attention on some of the steps necessary to bring about a freer flow of trade between Nations enjoying high levels of economic activity and sustained consuming power. On the other hand, the experiences of the years between the wars suggest the necessity for being as well prepared as possible to meet the agricultural problems associated with an economic depression. The assignments outlined below are designed largely to explore the means available to this Government for facilitating agricultural exports, and for supporting the farm prices of export crops, if necessary.

J. L. Stewart, OFAR

James Dixon Calderwood, OFAR

1. Condensation of "Preliminary Report of Special Committee on Relaxation of Trade Barriers" (completed.)
2. Review of export aids extended to agricultural products in foreign countries under depression conditions.

Bennett S. White, Jr., BAE

Frederick L. Thomson, BAE

Responsible for the assembling of basic data and making analyses of prices, production and income relationships; in cooperation with FDA Program Appraisal Branch; to analyze the economic effects of measures employed in the past to stimulate exports and to formulate a statement of possible conditions which might justify new export programs.

Frederick V. Waugh, FDA

A. Budd Holt, FDA

To use the facilities of FDA Commodity Branches, in cooperation with BAE, in determining the part which export aid programs might play in the support of prices; to review the U. S. experience with export subsidies for agricultural products.

Project C-4, Program of Public Works Projects to provide Modern, Efficient and Adequate Marketing and Distribution Facilities such as Assembling Facilities, Terminal Produce Markets and Storage Facilities

Project Leader, *C. P. Austin*
~~John I. Kross~~, FDA

(This outline was drawn up to cover fruit and vegetable facilities only. These will be the first facilities studied.)

I. Personnel

R. Royston, BAE
John I. Kross, FDA
C. P. Austin, FDA
W. C. Crow, FDA
A. J. Kelsey, FDA
F. L. Thomsen, BAE

In addition to the above group, commodity specialists will be brought in as needed. F. V. Waugh, National Activity Leader in Marketing will serve as consultant to the committee.

II. Introductory Statements

- A. Problems in the field of marketing and distribution have been most widely discussed and criticized, many solutions have been offered; however, very little has been accomplished in solving the problems.
- B. Progress toward greater efficiency and economy has been slow.
- C. Results from years of marketing research show that through improvements in marketing organization, facilities, and practices, marketing costs can be greatly reduced.
- D. The planning of an effective market must be found on factual data carefully and critically analyzed, and only by thorough market analysis may sound objectives be established and methods of achieving them determined upon.
- E. After an adequate study has been made, a definite program should be drawn up and put into operation.

III. General Background

- A. Recent studies show that wholesale and jobbing markets for perishable agricultural commodities in many large cities need to be reorganized.
 - 1. In many of these cities there are too many markets and they are poorly coordinated with one another.
 - 2. High cost of handling perishables in most markets is due to inefficient practices, improper organization, and unsuitable facilities.

3. In most large city wholesale markets it is possible to reduce the cost of handling between the city limits and the retail stores of about 20 percent.
 4. Many markets are antiquated, improperly designed and equipped.
- B. With the rapid growth of motor-truck transportation many problems have resulted, principally, because it is difficult to fit motor-truck transportation into the present distribution system. Some of the problems are:
1. Inadequate terminal facilities for handling perishables arriving by motor-truck.
 2. Inadequate knowledge of market supplies.
 3. Much overlapping and duplication.
- C. Maladjustment between production and distribution results in high marketing costs and in inefficient distribution practices.
- D. Shifts in production areas continually occurring result in too many marketing facilities in some areas and insufficient in other areas.
- E. Concentration markets are needed in several farming areas.
- F. Consumer buying habits are changing
1. Demand for perishables is steadily increasing.
 2. In most markets consumers are now able to obtain a wider variety of perishables than in the past.
 3. Perishables are appearing on the market over a longer period than previously.

IV. Objectives

1. To establish a sound structure of marketing and promote greater efficiency and orderly distribution which will result in
 - a. An increase in grower incomes.
 - b. Reduction in marketing cost.
 - c. Enable consumers to buy more with their food dollar
 - d. Reduce food spoilage and waste.

2. To determine the location, size, physical characteristics, method of operation, and other details requisite to the establishment of concentration markets, terminal produce markets and storage facilities.

V. Organization

A. Washington level

1. Division of Market Organization and Facilities

- a. Terminal Markets Section.
- b. Concentration Markets Section.
- c. Storage Section.
- d. Consulting architect.

2. Function

- a. To determine general plans for studies to be made.
- b. To initiate or to approve the making of such studies, initiated in the regions.
- c. To analyze the findings of such studies and to make final determination as to action to be taken in each case.
- d. To control the expenditure of all funds set aside for such purposes.
- e. To supervise the carrying out of the plans to completion.
- f. To aid in making the market a going concern after it is opened for operation.

3. Relation to other projects, Bureaus and Divisions

The Division of Market Organization and Facilities will work closely with Dr. Thomsen of the BAE in order to avoid unnecessary duplication with his project on facilities. Technical help will be sought from ARA and other agencies.

B. Regional level

1. Division of Market Organization and Facilities

- a. Section similar to (or modification of) Washington level according to the needs of the particular region.

2. Function

- a. To initiate the making of studies of particular markets subject to Washington approval.
- b. To make such studies and to prepare recommendations in cooperation with the Washington office.
- c. To assist in carrying out the plans for such facilities.
- d. To assist in initiating operations in such markets.

3. Relation to other Departments

- a. Under the Regional Director or Head of Post-War Planning, the Regional M.C. & F. Division will be directly responsible to the Washington office. The Regional M.C. & F. Division will work with and through other agricultural agencies of the Region, i.e., agriculture colleges, State universities, State Departments of Agriculture, extension agents or local bodies, and also with Regional representatives of the appropriate Federal Bureaus and Divisions.

VI. Planning

A. Concentration Markets

1. To establish concentration markets which will provide for an efficient marketing and orderly distribution system of perishable commodities.
 - a. To set up outlets for small producers who have difficulty disposing small lots.
 - b. To assist growers and shippers in improving their present methods of marketing and distribution.
2. The general approach would be to ascertain the following through a survey:
 - a. Production of the particular area
 - (1) What commodities are grown in the area
 - (2) Is volume of the area adequate to support a market

- (3) Will the volume be sold through the market, if one is established
- (4) What are the possibilities of future shifts in production or in type of commodities produced.
- b. Examine existing methods of marketing and distribution
 - (1) Organization
 - (2) Facilities
 - (3) Practices
 - (4) Number of markets in area
 - (5) Distance growers have to travel to market
 - (6) Costs
3. Determining whether there is a real need for a market
 - a. Based on data obtained from detailed grower and buyer interviews, census and State reports.
4. If real need exists, the type of market that is needed should be determined.
 - a. Should be designed to meet the need of the particular area.
 - (1) City market
 - (2) Country
 - b. A definite plan should be undertaken regarding
 - (1) Location
 - (2) Lay-out
 - (3) Facilities
 - (4) Who will sponsor the market
 - (5) Method of financing
 - (6) Type of management or operation

5. The success of any market will depend upon the willingness of growers, trade members, and local authorities to co-operate in improving present marketing and distribution system.
 - a. Suggestions for improvement should emanate from growers and local authorities interested in marketing programs.
 - b. Growers and trade members should be represented on any committees initiating a study.
 - c. Advice and counsel should be obtained from farm organization people, representatives of cooperative associations, specialists from State colleges and State Bureaus of Markets.

B. Terminal produce markets

1. To construct modern terminal produce markets in accordance with a definite plan for producing greater efficiency and economy in the marketing and distribution of perishable agricultural commodities.
2. To reorganize some of the terminal produce markets in order to bring the markets up to date with the marked changes that have taken place in the methods of transportation.
3. After making a list of the markets in greatest need of improvement, a detailed study of each market will be made with respect to
 - a. The present marketing system
 - (1) Description of the market
 - (2) Volume and kind of commodities moved through the market
 - (3) Distribution from the market
 - (4) Costs
 - (5) Problems and difficulties
 - b. How can the system be improved
 - (1) Type of marketing system needed
 - (2) Kind of facilities needed
 - (3) Location
 - (4) Type of management and regulation deemed necessary

- (5) Total cost of construction
- (6) Amount of savings a modern market would bring
- (7) By whom should the market be built
- (8) Operating expense and source of income

c. Possibilities of reorganizing present market

- 4. After a critical analysis of the data is made and plans for construction are drawn up, the material should be presented to the members of the trade whose livelihood depends upon the operation of the particular market.
- 5. The final decision as to what improvements will be made will depend upon the action taken by the trade and other local interests.

C. Storage facilities

- 1. To establish storage facilities which will result in higher returns to growers and make commodities available to the consumer over a longer period of the marketing season.
- 2. To replace some of the existing farm storages (sheds, barns, old buildings) with modern buildings and proper facilities that are essential for a successful storage.
- 3. General approach would be to investigate

a. Present storage facilities

- (1) Description
- (2) Number of storages in the area
- (3) Volume
 - (a) Amount produced in the area
 - (b) Amount that is stored
- (4) Cost of storing crops under existing facilities
- (5) Quantity that can be saved with good storage conditions

- b. Possibilities of improving existing storage facilities
 - (1) Commodities to be stored
 - (2) The number of storages required
 - (a) Capacity that is needed
 - (3) Type of storage needed
 - (a) Construction
 - (b) Size
 - (c) Temperature and humidity requirements
 - (4) Location
 - (5) Costs
 - (6) Who will sponsor the storage
 - (7) Method of financing
 - (8) Type of management or operation